

Air Pollution Control
Title V Permit to Operate
Statement of Basis for Draft Permit No. R10T5-ID-00-01
March 3, 2000

Clearwater Forest Industries, Inc. (CFI)
Nez Perce Reservation
Kooskia, Idaho

1. EPA Authority to Issue Part 71 Permits Pursuant to Title V of the Clean Air Act

On July 1, 1996 (61 FR 34202), EPA adopted regulations codified at 40 CFR part 71 setting forth the procedures and terms under which the Agency would administer a federal operating permits program. These regulations were updated on February 19, 1999 (64 FR 8247) to incorporate EPA's approach for issuing federal operating permits to covered stationary sources in Indian country.

As described in 40 CFR 71.4(a), EPA will implement a part 71 program in areas where a state, local, or Tribal agency has not developed an approved part 70 program. Unlike States, Indian Tribes are not required to develop operating permits programs, though EPA encourages Tribes to do so. See, e.g., Indian Tribes: Air Quality Planning and Management (63 FR 7253, February 12, 1998) (also known as the "Tribal Authority Rule"). Therefore, within Indian country, EPA will administer and enforce a part 71 federal operating permits program for stationary sources until Tribes receive approval to administer their own operating permits programs.

2. The Nez Perce Tribe

a. Indian Country: CFI is located within the exterior boundaries of the Nez Perce Reservation and is in Indian Country, as defined in 40 CFR part 71.

b. The Nez Perce Reservation: In 1855, Governor Stevens concluded a treaty with the Nez Perce recognizing tribal rights to an immense tract of country consisting of some 7.5 million acres. A new treaty in 1863 reduced the reservation to its current size of approximately 760,000 acres located in northern Idaho.

Today there are 15 communities located within the boundaries of the reservation. Based on 1986 data, the population is estimated at about 11,400 within the incorporated communities. Another 5,000 to 6,000 people live in the rural areas. Tribal enrollment is approximately 3,300 members with 1,000 members living off the reservation.

c. Tribal government: The Nez Perce Tribe operates under a constitution that was approved in 1958. The Tribe's constitution provides that a nine member Nez Perce Tribal

Executive Committee is the governing body.

d. Local air quality and attainment status: Northern Idaho, including the Nez Perce Reservation, either attains the national ambient air quality standard for all criteria pollutants or is “unclassified”. An area is unclassifiable when there is insufficient monitoring data. Monitoring data for the Nez Perce Reservation is based on a particulate matter monitor which is operated in Kamiah. Data from this monitor indicates both daily and annual averages generally well below the standards for particulate. The Nez Perce Tribe is currently conducting their first air quality survey of the reservation using “MiniVol” samplers.

3. Facility Information

a. Location: CFI is in Clearwater Co. approximately one mile south of Kooskia, Idaho and is within the exterior boundaries of the Nez Perce Reservation and is in Indian Country, as defined by 40 CFR part 71. The mailing address is:

Clearwater Forest Industries, Inc.
P. O. Box 340
Kooskia, ID 83536-4266

b. Facility Contact/ Responsible Official

The facility contact and responsible official is Rodney Krogh, President of CFI.

c. General Description of Operations and Products

CFI is a privately owned company (i.e., not owned or operated by the Nez Perce Tribe) that manufactures lumber from logs that have been harvested in the region. The specific process involves debarking the logs, cutting the logs to prescribed length, sorting the boards, then drying and planing the boards into finished lumber. Logs are brought to the facility by truck and stored in the log storage area. Logs deemed unsuitable for lumber are saved for processing by the whole log chipper.

Bark from the debarking process is sent to the bark hog where it is reduced to a size appropriate to use as boiler fuel. Most of the sawdust from sawing operations is collected by the vacuum system and sent to a silo controlled by a baghouse. From the silo, the sawdust goes to the sixty-unit sawdust bin. Coarse waste from the sawing operations, with some sawdust, is transported by conveyor to the mill chipper at the south end of the building. Here the sawdust is separated and sent to the sixty-unit sawdust bin or routed to the boiler fuel house. Coarse waste is reduced in the chipper and sent pneumatically to the sixty-unit chip bin or to the boiler fuel house.

After the green lumber is stacked, it is sent to the kilns for drying. There are four

double track kilns heated with steam from the boilers. After drying, the lumber is sent to the planer mill. At the planer mill, the lumber is planed, graded, and trimmed to finished dimensions. The process follows two similar routes and is operated one shift per day: at the old planer, approximately one-third of the lumber is processed and at the new planer the other two-thirds is processed. Trim ends, and the sawdust produced are sent to the planer chipper. From the chipper, the product is screened and transported pneumatically. The chips are sent either to the ninety-unit whole log chip bin or to the sawmill surge bin. Fines from the screen go to the shavings bin, as do the shavings picked up by vacuum at the planers.

After the planer, the lumber is stacked and placed in the yard for shipment. Approximately twenty percent is shipped by rail and eighty percent by truck. Materials that used to be consider waste from sawmill operations are now important co-products; bark, chips, sawdust, and shavings are captured and used as fuel or marketed as product.

d. Emission Units and Emission Generating Activities

CFI provided in their application the information contained in tables 1 and 2. Table 1 lists emission units and emission generating activities, including any air pollution control devices. Emission units identified as “insignificant” are listed separately in table 2.

Part 71 allows sources to separately list in the permit application units or activities that qualify as “insignificant” based on potential emissions below 2 tons/year for all regulated pollutants that are not listed as hazardous air pollutants (“HAP”) under Section 112(b) and below 1000 lbs/year or the de minimus level established under Section 112(g), whichever is lower, for HAPs. However, the application may not omit information needed to determine the applicability of, or to impose, any applicable requirement, or to calculate the fee. Units that qualify as “insignificant” for the purposes of the part 71 application are in no way exempt from applicable requirements or any requirements of the part 71 permit.

CFI stated in their application that the emission units in table 2 below qualified for treatment as “insignificant” based on their emission levels. Some of these emission sources such as screens, saws, and planers, are enclosed in buildings and the emissions from these sources are addressed in the emission points from the enclosed buildings that are included in Table 1.

All emission units at this facility are identified in either table 1 or table 2. In some cases, there is a break in the sequence of emission unit ID numbers. For example, there is no emission unit identified as #15 on either table 1 or table 2. This is an indication that a piece of equipment has been removed since the numbering system was established by CFI several years ago, rather than an omission of a piece of equipment from the application or this statement of basis.

Table 1

Emission Units and Control Devices

Clearwater Forest Industries, Inc.

Emissions Unit and Unit ID #	Description	Control Device
Hog Fuel Boiler - #1	<ul style="list-style-type: none"> • Seattle Boiler Works model AF-650. • Installed in 1974 • Maximum design heat input - 40 MMBTU/hr • Fuel type - bark & wood • Used to heat dry kilns 	Zurn Multiclone model no. MTSA-28-9CYT-ASTD Installed 1980
Hog Fuel Boiler - #2	<ul style="list-style-type: none"> • Seattle Boiler Works model AF-650. • Installed in 1978 • Maximum design heat input - 40 MMBTU/hr • Fuel type - bark & wood • Used to heat dry kilns 	Zurn Multiclone model no. MTSA-28-9CRT-ASTD Installed 1980
Whole Log Rechipper Cyclone - #3	<ul style="list-style-type: none"> • Manufacturer-Precision • Process/control device for the pneumatic conveyor discharge • Installed in 1989 • Captures wood chips 	None
Shavings Cyclone, Fuel House - #4	<ul style="list-style-type: none"> • Manufacturer-H-J Burns • Process/control device for the pneumatic conveyor discharge • Installed in 1976 • Captures wood shavings 	None
Sawmill Chip Screen Cyclone - #5	<ul style="list-style-type: none"> • Manufacturer-B&R Sheet Metal • Process/control device for the pneumatic conveyor discharge • Installed in 1990 • Captures wood chips 	None

60 Unit Chip Bin Cyclone - #7	<ul style="list-style-type: none"> • Manufacturer-B&R Sheet Metal • Process/control device for the pneumatic conveyor discharge • Installed in 1989 • Captures wood chips • Designed for overflow conditions from 90 unit chip bin - never used 	None
Sawmill Chip Discharge Cyclone #8	<ul style="list-style-type: none"> • Manufacturer-Rader • Process/control device for the pneumatic conveyor discharge • Installed in 1974 • Captures wood chips • 90% chips go to this cyclone; 10% routed to target box 	None
Whole Log Chip Cyclone - #13	<ul style="list-style-type: none"> • Manufacturer-B&R Sheet Metal • Process/control device for the pneumatic conveyor discharge • Installed in 1989 • Captures wood chips 	None
Planer Bin Shavings Cyclone #16	<ul style="list-style-type: none"> • Manufacturer-H-J Burns • Process/control device for the pneumatic conveyor discharge • Installed in 1977 • Captures wood shavings 	None
Schutte Hog Shavings Cyclone #17	<ul style="list-style-type: none"> • Manufacturer-H-J Burns • Process/control device for the pneumatic conveyor discharge • Installed in 1977 • Captures wood shavings 	None
Planer Bin Shavings Cyclone #18	<ul style="list-style-type: none"> • Manufacturer-H-J Burns • Process/control device for the pneumatic conveyor discharge • Installed in 1984 • Captures wood shavings 	None
Schutte Hog Shavings Cyclone #19	<ul style="list-style-type: none"> • Manufacturer-H-J Burns • Process/control device for the pneumatic conveyor discharge • Installed in 1984 • Captures wood shavings 	None

Planer Chipper Cyclone - #20	<ul style="list-style-type: none"> • Manufacturer- Rader • Process/control device for the pneumatic conveyor discharge • Installed in 1984 • Captures wood chips 	None
Dry Kiln - #44	<ul style="list-style-type: none"> • Lumber drying using heat from boilers • Installed 1972 	None
Dry Kiln - #45	<ul style="list-style-type: none"> • Lumber drying using heat from boilers • Installed 1973 	None
Dry Kiln - #46	<ul style="list-style-type: none"> • Lumber drying using heat from boilers • Installed 1973 	None
Dry Kiln - #47	<ul style="list-style-type: none"> • Lumber drying using heat from boilers • Installed 1980 	None
Fuel House Chips Target Box - #57	<ul style="list-style-type: none"> • Passes chips from conveyor to fuel house • Target box is part of material transfer process and emission control 	Target box
Sawmill Building (no ID #)	<ul style="list-style-type: none"> • Emissions from sawing operations in the sawmill are collected by a vacuum system and routed to the baghouse • The baghouse exhaust is ducted back to the sawmill building • The sawdust is emptied from the bags and sent to the 60 unit sawdust bin 	Baghouse
Fuel Storage Tank (no ID #)	<ul style="list-style-type: none"> • Above ground diesel storage tank • 20,000 gallon capacity • 75.7 cubic meter 	None

Table 2

Insignificant Emission Units

Clearwater Forest Industries, Inc.

Cylone #10, exhausts to baghouse
Cyclone #11 (1 ton/hour throughput capacity)
Baghouse #14 exhaust vents inside sawmill building
Target box #22 - low flow capture device for heavier wood waste particles
Target box #23 - low flow capture device for heavier wood waste particles
Large log debarker #29 - processes wet logs
Large log debarker #30 - processes wet logs
Planer #48 is inside planer building - shavings are collected and sent to cyclone #16
Planer trim saw #49 is inside planer building and produces minimal sawdust from cross cutting boards
Planer #50 is inside planer building, shavings are collected and sent to cyclones
Planer trim saw #51 is inside planer building and produces minimal sawdust from cross cutting boards
Screen #53 - separates fine wood waste from coarser waste (chips)
Screen #54 is inside building - separates fine wood waste from coarser waste (chips)
Screen #55 is inside building - separates fine wood waste from coarser waste (chips)
Target box #56 - low flow capture device for heavier wood waste particles
Saw #58 cross cuts wet logs to length for the sawmill
Saw #59 cross cuts wet logs to length for the sawmill
9 additional saws enclosed in sawmill building - cut green lumber (no ID #)
Whole log chipper screen (no ID #) - chips green lumber
Coarse waste chippers and hogs (no ID #) - chipping occurs in a closed housing
By-product loadout bins (no ID #)

e. Permitting and/or Construction History

CFI commenced operation on January 1, 1974. EPA has no record of any federal permitting activity at this facility. The installation of the second hog fuel boiler in 1978 and other mill improvements in 1989 and 1990 may have increased emissions to levels that require federal permitting under the Prevention of Significant Deterioration program (PSD). EPA will work with CFI to better characterize these changes at the facility in order to determine if PSD applies. If any of these changes subject CFI to the PSD program, then a PSD permit will be issued by EPA which will include emission limits and possible control device requirements. This Title V permit will then be reopened to incorporate those new substantive requirements. No permit shield is implied or explicit for past new source review, PSD, or for any applicable requirement not specifically identified in the permit.

f. Potential to Emit

Table 3 includes potential to emit data provided by CFI and, in some instances, revised by EPA¹. Potential to emit means the maximum capacity of CFI to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of CFI to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, may be treated as part of its design if the limitation is enforceable by EPA. Potential to emit is meant to be a worse case emissions calculation. Actual emissions may be much lower.

In their application, CFI did not speciate VOC emissions into the respective hazardous air pollutants (HAPs). Since most, if not all, HAPs from this facility will be accounted for in the VOC estimates, and since there is no NESHAP standard for this industry at this time for which HAP estimates might be needed for applicability purposes, EPA does not feel that the absence of this data affects our ability to issue this permit.

EPA will work with CFI to refine their emission estimates for the boilers and to develop HAP emission estimates so that complete and accurate data is available for future reference. CFI must also submit annual estimates of *actual* emissions for all regulated pollutants as part of the requirement to pay an annual fee (see section VII of the permit). EPA will review these submittals for accuracy.

¹EPA revised the emission estimates for the two boilers provided by CFI. In their calculations, CFI considered the effect of the control devices on these boilers. However, since there are no federally enforceable requirements to use the control devices, EPA revised the potential to emit calculations by estimating emissions as if the devices were not in place.

Table 3

Potential to Emit in Tons per Year

Clearwater Forest Industries, Inc.

Emissions Unit and Unit ID	NOx	VOC	SO2	PM10	CO	Lead	HAP
Hog Fuel Boiler - 1	29	4	8	327	409		
Hog Fuel Boiler - 2	29	4	8	327	409		
Whole Log Rechipper Cyclone - 3				7			
Shavings Cyclone, Fuel House - 4				8			
Sawmill Chip Screen Cyclone - 5				8			
60 Unit Chip Bin Cyclone - 7				74			
Sawmill Chip Discharge Cyclone-8				14			
Whole Log Chip Cyclone - 13				74			
Planer Bin Shavings Cyclone - 16				4			
Schutte Hog Shavings Cyclone - 17				3			
Planer Bin Shavings Cyclone - 18				8			
Schutte Hog Shavings Cyclone - 19				7			
Planer Chipper Cyclone - 20				8			
Dry Kiln - 44		10		1			
Dry Kiln - 45		10		1			
Dry Kiln - 46		10		1			
Dry Kiln - 47		10		1			
Target Box - 57				4			
TOTALS	58	48	16	877	818	0	

NOx - oxides of nitrogen

SO2 - sulfur dioxide

CO - carbon monoxide

VOC - volatile organic compounds

PM10 - particulate matter with a diameter 10 microns or less

HAP - hazardous air pollutants (see Clean Air Act Section 112(b))

4. Applicable Requirements

Based on the information provided by CFI in their application, CFI is subject to the following applicable requirements (see sections III and IV of the permit) for the following reasons:

a. Recordkeeping Provisions of NSPS Kb - 40 CFR subpart Kb

The fuel storage tank at CFI has a storage capacity over 75 cubic meters but less than 151 cubic meters and stores a liquid (i.e., diesel) with maximum true vapor pressure less than 15.0 kPa. Section 60.110b(c) states that units meeting these criteria are subject only to the recordkeeping requirements of 60.116b(a) and (b).

b. Chemical Accident Prevention Program - 40 CFR part 68

Based on CFI's application, CFI currently has no regulated substances above the threshold quantities in this rule and therefore is not subject to the requirement to develop and submit a risk management plan. This requirement is included in CFI's permit because CFI has an ongoing responsibility to submit this plan IF a substance is listed that CFI has in quantities over the threshold amount or IF CFI ever increases the amount of any regulated substance above the threshold quantity. Including this term in the permit minimizes the need to reopen the permit if CFI becomes subject to the requirement to submit a risk management plan.

c. Stratospheric Ozone and Climate Protection - 40 CFR part 82

Based on CFI's application, CFI does not currently engage in the activities regulated under this provision. Including this term in the permit minimizes the need to reopen the permit if CFI does any maintenance, service, repair, or disposal, of any equipment containing chlorofluorocarbons (CFCs), or contracts with someone to do this work.

d. NESHAP - 40 CFR part 61, Subpart M - Demolition or Renovation Activity

Based on CFI's application, CFI is not currently engaged in the activities regulated under this provision. If CFI conducts any demolition or renovation activity, they must assure that the project is in compliance with the federal rules governing asbestos including the requirement to conduct an inspection for the presence of asbestos. Including this term in the permit minimizes the need to reopen the permit if CFI ever conducts any demolition or renovation activity.

In addition to these four requirements and as discussed in section 3.d above, EPA is investigating the possibility that this source is subject to PSD requirements.

Based on the information provided in CFI's application, EPA has no evidence that this source is subject to any existing applicable federal CAA programs except those discussed above. Federal CAA programs include Prevention of Significant Deterioration (PSD), New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAP), and the acid rain program under Title IV of the CAA. Further, CFI is not subject to any implementation plan such as exist within state jurisdictions. Therefore, except for the recordkeeping provisions of 40 CFR Part 60, Subpart Kb and the generally applicable requirements of the chemical accident prevention program, the stratospheric ozone protection program, and the asbestos removal and disposal requirements, CFI is not subject to any substantive requirements that control their emissions under the CAA.

EPA recognizes that, in some cases, sources of air pollution located in Indian country are subject to fewer requirements than similar sources located on land under the jurisdiction of a state or local air pollution control agency. To address this regulatory gap, EPA is in the process of developing national regulatory programs for preconstruction review of major sources in nonattainment areas and of minor sources in both attainment and nonattainment areas. These programs will establish, where appropriate, control requirements for sources that would be incorporated into part 71 permits. To establish additional applicable, federally-enforceable emission limits, EPA Regional Offices will, as necessary and appropriate, promulgate Federal Implementation Plans (FIPs) that will establish Federal requirements for sources in specific areas. EPA will establish priorities for its direct Federal implementation activities by addressing as its highest priority the most serious threats to public health and the environment in Indian country that are not otherwise being adequately addressed. Further, EPA encourages and will work closely with all tribes wishing to develop Tribal Implementation Plans (TIPs) for approval under the Tribal Authority Rule. EPA intends that its federal regulations created through a FIP will apply only in those situations in which a tribe does not have an approved TIP.

5. Use of All Credible Evidence

Determinations of deviations, continuous or intermittent compliance status, or violations of the permit are not limited to the testing or monitoring methods required by the underlying regulations or this permit; other credible evidence (including any evidence admissible under the Federal Rules of Evidence) must be considered by the source and EPA in such determinations.

6. Public participation

a. Public Notice.

As described in 40 CFR 71.11(a)(5), all part 71 draft operating permits shall be publicly noticed and made available for public comment. The Public Notice of permit

actions and public comment period is described in 40 CFR 71(d).

There will be a 30 day public comment period for actions pertaining to a draft permit. Public notice has been given for this draft permit by mailing a copy of the notice to the permit applicant, the affected state, Tribal and local air pollution control agencies, the city and county executives, the state and federal land managers and the local emergency planning authorities which have jurisdiction over the area where the source is located. A copy of the notice has also been provided to all persons who have submitted a written request to be included on the mailing list. If you would like to be added to our mailing list to be informed of future actions on these or other Clean Air Act permits issued in Indian Country, please send your name and address to Elizabeth Waddell at the address listed below:

Elizabeth Waddell
U.S. Environmental Protection Agency, Region 10
1200 6th Avenue (OAQ-107)
Seattle, WA 98101

E-mail: waddell.elizabeth@epa.gov

Public notice has also been published in a daily or weekly newspaper of general circulation in the area affected by this source.

b. Opportunity for Comment

Members of the public may review a copy of the draft permit prepared by EPA, the application, this statement of basis for the draft permit, and all supporting materials for the draft permit. Copies of these documents are available at:

Nez Perce-Lewis County Library
103 North Main
Lapwai, Idaho 83540

U.S. EPA, Region 10 Library
1200 Sixth Avenue
Seattle, WA 98101

Copies of the draft permit and this statement of basis are also available electronically on the EPA Region 10 Website, <http://www.epa.gov/r10earth/> (once there, click on **AAir@**) or by calling EPA toll free at (800) 424-4372, extension 8578.

Any interested person may submit written comments on the draft Part 71 operating permit during the public comment period to Elizabeth Waddell at the address listed in section 6.a above. All comments shall be considered and answered by EPA in making the final decision on the permit. EPA will keep a record of the commenters and of the issues raised during the public participation process.

Anyone, including the applicant, who believes any condition of the draft permit is inappropriate must raise all reasonable ascertainable issues and submit all arguments

supporting their position by the close of the public comment period. Any supporting materials submitted must be included in full and may not be incorporated by reference, unless the material has been already submitted as part of the administrative record in the same proceeding or consists of state or federal statutes and regulations, EPA documents of general applicability, or other generally available reference material.

c. Opportunity to Request a Hearing

A person may submit a written request for a public hearing to Elizabeth Waddell, at the address listed in section 6.a above, by stating the nature of the issues to be raised at the public hearing. Based on the number of hearing requests received, EPA will hold a public hearing whenever it finds there is a significant degree of public interest in a draft operating permit. EPA will provide public notice of the public hearing. If a public hearing is held, any person may submit oral or written statements and data concerning the draft permit.

d. Mailing List

If you would like to be added to our mailing list to be informed of future actions on this or other Clean Air Act permits issued in Indian Country, please send your name and address to Elizabeth Waddell at the address listed above